



DRAFT

MINUTES
City of Tacoma
Public Utility Special Board Meeting
January 12, 2022
3:00 p.m.

Chair Patterson called the Public Utility Board meeting to order at 3:00 p.m.

Present: Mark Patterson, Chrissy Cooley, Carlos Watson
Excused: Holland Cohen

The meeting was quorate.

Minutes of the Previous Meetings

Ms. Cooley moved that the minutes of the previous meetings be adopted; seconded by Mr. Watson. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public

Ms. Cooley moved to suspend the rules of Public Utility Board Government Process Eight (GP8) to allow all public comment for all topics, whether on or off the agenda, at one time; seconded by Mr. Watson. Voice vote was taken and carried.

There were no public comments.

Regular Agenda

- C-1 Resolution U-11300 - Award contracts and approve purchases:
1. Increase citywide contract with Pacifica Law Group for additional bond counsel services (\$500,000. Cumulative total \$1,100,000, plus applicable taxes) [Debra Casparian, Deputy City Attorney].

Ms. Cooley moved to adopt the resolution; seconded by Mr. Watson.

Voice vote was taken and carried. The resolution was adopted.

- C-2 Resolution U-11301 – Authorize execution of a collective bargaining agreement as negotiated with the International Association of Sheet Metal, Air, Rail, and Transportation Workers – Transportation Division (SMART – TD), Local 1977 – Yardmasters, effective January 1, 2021 through December 31, 2024 [Dylan Carlson, Sr. Labor Relations Mgr].

Ms. Cooley moved to adopt the resolution; seconded by Mr. Watson.

Dylan Carlson, Sr. Labor Relations Mgr, summarized the resolution. The proposed Collective Bargaining Agreement covers approximately six budgeted full-time positions within TPU and is retroactive from January 1, 2021, through December 31, 2024. This agreement provides that the journey-level Yardmaster hourly base wage will be increased by 2 percent retroactive to January 1, 2021, and will increase by 2 percent on January 1 of each of the remaining three years of the agreement. Effective the first of the month following ratification, the employee medical insurance premium share will mirror that of other City employees, currently \$50/month for employee only coverage and \$100/month for employee plus family coverage. Employees will also be eligible for a continued deferred compensation match of three percent, but regardless of carrier financial performance; and in recognition of concessions made during negotiation, each regular Yardmaster will also receive a one-time lump sum payment of \$2,000. In addition, other changes to this agreement include the elimination of eligibility for longevity pay for employees hired into the Unit, the discontinuance of the historic "wellness" program, which rewarded employees for the non-use of sick leave; a provision to provide for double-time pay for time worked on observed holidays; an updated Letter of Understanding regarding retiree medical coverage; edits to provisions related to union dues necessary to comply with the Janus court decision; and the incorporation of a provision of two hours overtime pay for training that requires an employee to report to the employer's facilities on a Yardmaster's scheduled rest day.

Voice vote was taken and carried. The resolution was adopted.

C-3 Motion 22-01 - That in accordance with Tacoma Municipal Code Section 1.06.380, the Board approves the assignment of Csilla Muhl to the position of Deputy City Attorney in the Department of Public Utilities legal office upon the recommendation of the City Attorney

Ms. Cooley moved to approve the motion; seconded by Mr. Watson.

Tom Morrill, Chief Deputy City Attorney, summarized the motion. This motion will confirm the appointment of Csilla Muhl, who would be replacing a current deputy city attorney who will soon retire. Board Members congratulated and welcomed Ms. Muhl.

Voice vote was taken and carried. The motion was approved.

C-4 Motion 22-02 - That upon concurrence by the City Council, the Director of Utilities is hereby authorized to settle the lawsuit referenced as Coates v. City of Tacoma for the total amount of \$183,000.00 [Tom Morrill, Chief Deputy City Attorney].

Ms. Cooley moved to approve the motion; seconded by Mr. Watson.

Tom Morrill, Chief Deputy City Attorney, summarized the motion. The lawsuit was filed in June of 2017 and asked the court that Tacoma Power funds not be used for Click! capital expenses and requested a judgment and damages from the city, including attorney fees. The Superior Court ruled that Power revenues couldn't be used to pay for Click! expenses, but was appealed and reversed as it was found that Click! was part of the Power telecom system. This motion would settle the entire case, including attorney fees, and is covered by the City's insurance carrier. The motion moves to the City Council for final vote.

Voice vote was taken and carried. The motion was approved.

D. Reports of the Director

Covid

Director Flowers reported that other than an uptick in positive cases internally that is consistent with the general uptick we are seeing in the County, there is not much to report from an operational standpoint. The city is extending mandatory telework through the end of March. TPU will continue to follow existing directives including compliance with PPE and other guidelines to ensure employee and customer safety. Emergency Management, Human Resources, and Labor are in discussions regarding the latest recommendations related to quarantine guidelines from DOH and Tacoma Pierce County Health Department following CDC guidelines. All other operating protocols remain as reported in December. TPU will continue to work through supply chain issues with the meter vendor, as previously reported. There has been no easing of supply chain constraints to report. The project has continued to progress albeit at its slower deployment rate; there are more than 82,000 power and water meters in TPUs service territory changed out. Water meter availability is the current critical path constraint to the project. As a result, Water is working to procure alternative meters that will be compatible with the overall desired project outcome. As relates to customer accounts and supporting our customers in post covid recovery, staff is putting final touches on our anticipated customer engagement strategy. There a was a high level overview of that strategy and updated information on customer balances last meeting and staff hopes to complete the work on this plan in the next week and report in greater detail at next Board meeting.

Tacoma Water Pipeline 1 Update

Michael Washington, Principal Engineer, shared a map and provided an overview of Pipeline No. 1; it is 27 miles long and made from steel and concrete. System and operational changes have reduced the flow transferred by Pipeline No. 1 resulting in portions of the pipeline to become unpressurized which increases the potential for infiltration. Mr. Washington summarized regulatory findings from public water supply systems and Washington State Department of Health. In May of 2019, the Board approved a contract with Jacobs to develop a mitigation plan. The development of the implementation plan is now complete. Mr. Washington reviewed the bilateral compliance agreement with the Washington State Department of Health; the term of the agreement is 30 years to complete the pressurization of the pipeline with a progress report due in June each year until the project is complete. Ali Polda, Principal Engineer, summarized the implementation plan and capital cost estimate, which at this time and early stage of development is \$60 to \$225M. Tacoma Water will proceed with the projects out of the conceptual plan, including pipe testing, slope stabilization, and right-of-way analysis and report to the Department of Health each year. Mr. Polda concluded by reviewing the project activities, schedule, and costs.

Tacoma Water Long Range Financial Plan

Lyna Vo, Sr. Utilities Economist, described the Long Range Financial Plan (LRFP) as something that documents financial planning and forecasting. It provides a long-term view, generally five to ten years. It ensures financial direction is in alignment with strategic goals. The Water LRFP promotes the mission to provide clean reliable water; supports objectives to keep rates as low as is reasonable and helps to provide customers with predictable, stable rates; serves as a tool to communicate long-term plan to the governing bodies and help to inform policy discussions; and demonstrates Tacoma Water's financial sustainability and stability to stakeholders including current and potential investors and rating agencies. Ms. Vo then summarized the guiding principles for the LRFP, which include the Board strategic directives and the Water rate and financial policy. The foundation of Water's financial forecasting are expense assumptions, revenue assumptions and credit/debit/reserves. Jodi Collins, Water Division Manager, presented a summary of risks (internal and external) and opportunities. Water uses the rate and financial model to help analyze and compare assumptions; determine a range of outcomes; project fund balances; and estimate debt service coverage levels. Ms. Collins then detailed the base case and scenarios which included projected base case liquidity; projected base case rates; anticipating projects, optimizing debt, and stabilizing rates. Water staff plans to update the LRFP each year to ensure assumptions reflect current and evolving conditions. Some potential considerations that may require adaptation are the pandemic, advanced meters, and supply modeling.

E. Comments by the Board

There were no final Board Member comments.

G. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 4:21 p.m. until January 26, 2022 at 3:00 p.m.

Approved:



Mark Patterson, Chair



Carlos Watson, Secretary